Saskatchewan
Ministry of
Agriculture

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All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.
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Cattle Market Update

For the Week Ending May 24, 2013

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Feeder Cattle

Steers

	Range	Average	Change from last week
300-400	-	-	-
400-500	140-157	146.67	-2.58
500-600	137-156	146.20	-0.18
600-700	129-149	140.13	-0.21
700-800	123-138	131.00	+1.37
800-900	114-128	119.85	-1.65
900+	105-120	112.94	-1.56

Heifers

	Range	Average	Change from last week
300-400	116-135	126.50	+3.33
400-500	122-143	129.67	+3.50
500-600	120-138	127.50	-0.50
600-700	115-134	124.00	+3.07
700-800	110-126	117.63	+1.25
800+	100-119	110.50	0.00

Source: Canfax.
Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week.

Canfax reported that 4,078 head of cattle were sold in Saskatchewan this week, down from 9,637 head marketed during the previous week. The numbers are declining as we approach the end of the spring feeder cattle marketing period.

Feeder cattle prices were mixed over the week. Average prices for feeder steers ranged from $1.37 per cwt higher to $2.58 per cwt lower. Prices were mixed over the different weight classes. Feeder steers in the 700 to 800 lb. weight class were $1.37 per cwt higher while all other feeder steer classes were lower.

Feeder heifers traded higher in most classes with the exception of the 600 to 700 lb. weight class which traded $0.50 per cwt lower on the week, and the 800+ class which traded even on the week. The lighter weight feeder heifers had the largest increases over the week with the 400 to 500 lb. class increasing $3.50 per cwt.

The Saskatchewan 750 lb. feeder steer basis compared to the May 23, 2013 U.S. feeder cattle index at US$131.67 per cwt was calculated at -$4.90 per cwt (US$131.67/0.9689 - $131.00), a basis narrowing of $4.81 per cwt from -$9.71 per cwt the previous week.

Fed and Non-fed Cattle

	May 24	May 17	Change
Cows (Alberta)			
D1,2 Live	79.33	79.20	+0.13
D3 Live	70.00	70.17	-0.17
Rail	151.00-156.00	151.00-156.00	0.00

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta were relatively steady from the previous week with D1,2 slaughter cows increasing $0.13 per cwt to average $79.33 per cwt, while D3 slaughter cows decreased $0.17 per cwt to average $70.00 per cwt. Western Canadian non-fed slaughter numbers for the week were down from the previous week. In the United States large cow numbers have continued to move to slaughter over the last few weeks as dry pastures and high feed costs are still affecting a large portion of western United States and the southern plains.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$124.75 per cwt, down US$0.63 per cwt from US$125.38 per cwt the previous week. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$199.39 per cwt, a decrease of US$1.33 per cwt from US$200.72 per cwt the previous week.

The weekly average Choice beef cutout values (Choice 600-900 lb.) for the week ending May 24 averaged US$210.47 per cwt, up 1.4 per cent from US$207.49 per cwt. the previous week. The weekly average Choice cutout values hit new highs for the third week in a row and were well above the psychologically important US$200 per cwt threshold.

U.S. beef production for the week ending May 24 was estimated at 504.0 million lb., down 0.7 per cent from 507.3 million lb. during the previous week, but up 1.0 per cent from 498.8 million lb. a year ago. U.S. weekly cattle slaughter numbers totaled 648,000 head, down 0.6 per cent from 652,000 head the previous week, but up from 641,000 head the same week a year ago.

Country Of Origin Labeling (COOL)

The May 23 deadline set by the WTO for the United States to bring COOL into compliance has now passed. USDA has issued a final rule concerning the labeling provisions for muscle cut commodities that are covered under the COOL requirement. The new modifications will now require labeling applied to muscle cuts on each stage of production (i.e. born, raised, slaughtered) increasing the segregation and labeling costs for U.S. packers. The amendment also removes the allowance for the commingling of muscle cuts from different countries. This will likely increase the stress to the North American supply chain and further disadvantage the Canadian and Mexican livestock industries. While the amendment will take place immediately, it won't go into effect until after a six month learning and engagement period. The WTO process for the Canadian Government to get approval to implement retaliatory measures could take from 12 to 18 months.

Weekly corn cash prices moved higher over the week. Corn futures were 5 to 17 cents per bushel higher for the July to December contracts. Feeder cattle futures contracts were mostly higher except the May contract which was expiring. May to November feeder future contracts ranged from US$2.275 per cwt lower to US$1.175 per cwt higher, week-over-week. Live cattle futures contracts moved higher with the June to December contracts increasing from US$0.675 per cwt to US$1.300 per cwt, week-over-week. Record beef cutout values likely helped feeder and live cattle futures prices move higher.

Friday Price Information

Product		This Week (May 23)	Week of: (May 17)
Canadian Dollar (closing rate US$)		.9689	.9717
United States Dollar Index		83.640	84.212
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		131.67	135.40
Seven-day Weighted Average FC Index Wt. (lb.)		777	758
Live Fed 5-area Steer Price (US$ per cwt)		124.75	125.38
Feed Grains			
Barley	Lethbridge ($/tonne)	297.00	294.00
	($ per bu.)	6.47	6.40
Corn	Iowa State Average (CDN$/tonne)*	284.83	281.98
	(US$ per bu.)	7.01	6.96
	Omaha, NE (CDN$/tonne)*	296.61	284.41
	(US$ per bu.)	7.30	7.02
Futures			
	July Corn (US$ per bu.)	6.57¼	6.52¾
	Sept. Corn (US$ per bu.)	5.66¾	5.56
	June Live Cattle (US$ per cwt)	120.575	119.400
	August Live Cattle (US$ per cwt)	119.225	118.550
	May Feeder Cattle (US$ per cwt)*expiry	131.625	133.900
	October Feeder Cattle (US$ per cwt)	148.525	147.800

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate

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